

COUNTY OF YORK

MEMORANDUM

DATE: June 21, 2004 (BOS Mtg. 7/13/04)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Williamsburg Community Hospital—Refund of Taxes

Section 58.1-3980 of the Code of Virginia provides that any taxpayer may apply to the appropriate assessing officer for refund of taxes paid as a result of an erroneous assessment. The application must be made within three years from the last day of the tax year for which the assessment was made. Therefore, an applicant may seek recovery of taxes for the current year and for the three prior tax years. If a penalty or interest has been paid by the taxpayer, that may be recovered also. The consent of the County Attorney to the refund must be obtained as required by Code § 58.1-3981. Any refund in excess of \$2,500 must be approved by the Board.

Attached is a request from Williamsburg Community Hospital, Inc. for a refund in the amount of \$88,367.90, including interest, for real estate taxes for a portion of the 2003 tax year. The hospital purchased the subject property in August of 2003 and paid real estate taxes on the land and improvements while the Commissioner of the Revenue and the County Assessor considered the Hospital's request for recognition of tax exempt status. Code of Virginia § 58.1-3606 (A) (5) exempts nonprofit hospitals from the payment of real estate tax. One issue before the Commissioner, which was ultimately resolved in the hospital's favor, was whether some portion of the real estate should be taxable as excess land not used "exclusively" for the hospital's tax-exempt status, hence the delay in the Commissioner's acknowledgment that the refund should be paid.

Please note the certification by the Treasurer as to payment of the taxes for which a refund is sought and the consent by the County Attorney for the refund or the partial refund permitted by law. Code § 58.1-3981 requires that the Board direct the Treasurer to make the refund after these prerequisites are satisfied. Proposed Resolution R04-108 directs the Treasurer to make the refund.

Barnett/3440:sw
Attachments

- Request for Tax Refund
- Resolution R04-108